

November 9, 2021

PFK O'Connor Davies, LLP
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Harrison, NY 10528

To Whom It May Concern:

This letter is in response to the Management Letter issued to the Dobbs Ferry Union Free School District (the District) for the audit of the fiscal year ended June 30, 2021:

1. Recommendation (School Lunch Fund - Excessive Fund Balance)

The New York State Education Regulations have suggested that the fund balance in the School Lunch fund be no more than three months' worth of operating average expenditures, which is \$113,503. The School Lunch fund has a total assigned fund balance of \$170,439 at June 30, 2021, which is excessive by \$56,936. We recommend that the school district take all necessary steps to utilize the excess portion of this fund balance in the upcoming fiscal year.

Response

While three month's worth of operating average expenditures for the School Lunch fund during the 2020-21 school year equaled \$113,503 the normal operating three month average during a regular non-pandemic school year equates to \$187,058 which places the School Lunch fund balance just below the recommended limit. The Assistant Superintendent for Finance will continue to monitor the School Lunch fund balance during the current operating year and take the necessary steps to ensure an appropriate balance is maintained. This will be completed no later than December 31, 2021.

2. Recommendation (IDEA 611 & 619 - Activities Allowed & Allowable/Unallowable Costs)

During our testing, it was noted that the District does not have a payroll document which states the grant and amount in which an employee's salary is being allocated to. We recommend that the District maintain adequate information documenting the employee, salary amount, and grant information for an employee whose partial or entire salary is allocated to a grant.

Response

The Assistant Superintendent for Finance will establish a Time and Effort Reporting procedure in accordance with Federal grant guidelines and ensure its immediate implementation, but no later than December 31, 2021.

3. Recommendation (Extraclassroom - Timeliness of Deposits)

During our testing, the auditor noted that two of the twenty selections of cash receipts were not made timely. The deposits occurred in the High School accounts. This lack of timely deposits can increase the risk of misplacement and misappropriation, which can lead to

negative impacts on the financial reporting process. We recommend that the School District make deposits within 72 hours of receipts.

Response

The Assistant Superintendent for Finance will reinforce the established process of making timely deposits of cash receipts and follow up with the appropriate individuals to ensure compliance. This will be completed no later than December 31, 2021.

4. Recommendation (Special Aid Fund)

The Special Aid Fund is used to account for special projects or grants supported in whole or in part with Federal and State funds. The major revenues of this fund are Federal and State aid. The District does not maintain a project length schedule throughout the year. Therefore, there is no proper tracking for revenues and expenditures throughout the multi-year projects. This also corresponds to lack of tracking for unearned revenues and receivables relating to these projects. It should also be noted that in addition to State and Federal grants, the District also has local grants in this fund. We recommend that the District prepare and maintain a project length schedule to track all expenditures, revenues, cash receipts, unearned revenues and receivables relating to each grant received. Basic procedures should include tracing to the general ledger at year end, segregating the schedule to maintain prior years projects that have remained open during the current year, agreeing the amounts to the FS-10 reports and the New York State confirmations.

Response

The fiscal year end for some Federal and State grants do not always coincide with the school district fiscal year, which results in the district needing to make year end journal entries to balance the grant funded accounts. The project length schedule recommended by the auditors will assist the district in accounting for these entries across multiple fiscal year periods. The Assistant Superintendent for Finance will implement the use of the project length schedule immediately, but no later than December 31, 2021.

We appreciate the input from the auditors as well as the time, attention, and level of professionalism shown to the District during the audit. Should you require additional information, please contact me by telephone at (914) 693-1500 extension 3030 or at clamserr@dfsd.org

Sincerely

A handwritten signature in blue ink, appearing to read 'R. Clamser, Jr.', with a stylized flourish at the end.

Ron Clamser, Jr. Assistant Superintendent
for Finance, Facilities, and Operations